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**JOINT STATEMENT BY USTR CHARLENE BARSHEFSKY
AND TREASURY SECRETARY ROBERT RUBIN
ON THE WTO NEGOTIATIONS ON TRADE IN FINANCIAL SERVICES**

The United States welcomes the resumption of the WTO financial services negotiations. We are fully committed to seeking a comprehensive WTO agreement that provides substantially full market access and national treatment to financial service providers on a non-discriminatory basis. This ambitious undertaking will require a higher standard of liberalization than has been offered to date by a number of key emerging markets.

The United States has financial markets that are among the most open in the world. This openness to foreign participation is one reason why the U.S. financial markets are competitive, innovative, and effective in financing investment and growth. Foreign financial service providers have enjoyed full access on a non-discriminatory basis to the U.S. market. However, if our trading partners want legal guarantees in the WTO that the United States will not restrict access to its financial services market, then they in turn must work with us to ensure that each WTO Member with substantial markets provides similar guarantees.

Financial liberalization is an important part of building the strong financial system that countries all recognize is important to economic growth. Liberalization in this sector, however, also presents challenges to governments and monetary authorities. That is why the WTO agreement provides extensive accommodations to the prudential regulation needed to protect the safety and soundness of banking systems, to safeguard the integrity of financial markets, and to protect investors. The United States is prepared to consider transition periods that will allow for the phase in of commitments by countries over a reasonable period of time.

We expect that the recent successes in the WTO negotiations on telecommunications goods and

services have established a firm basis for moving forward in financial services. They clearly show that the United States is willing to sign onto agreements that cover a critical mass of countries and provide real commercial opportunities to our companies. And, if we can now succeed in the financial services negotiations, we can build the infrastructure for a more interconnected global economy of the 21st century.

The United States has much to gain from the conclusion of a successful agreement that opens new opportunities for U.S. financial services providers and furthers the integration of national financial systems. We will approach these negotiations in a constructive spirit and will work closely with our trading partners, both the established financial centers and the emerging markets, to conclude a strong, market opening agreement. Our objective in the negotiations is commitments from our trading partners to provide substantially full market access and national treatment to our companies. In return, we are prepared to commit ourselves to do the same.